

Off Highway Motor Vehicle Recreation Commission

CONCESSIONS STAFF REPORT

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| <input type="checkbox"/> Notification of Proposed Concession | <input type="checkbox"/> Request for Approval for the Sale of Alcohol |
| X Request for Approval of Proposed Concession | <input type="checkbox"/> Notification of Intent to Negotiate |

CONCESSION: All-Terrain Vehicle (ATV) Rentals

PARK UNIT: Oceano Dunes SVRA

RECOMMENDATION: Approve the proposed concession as meeting the requirements of Sections 5001.9 and 5080.03 and being compatible with the classification of the unit in which the concession will be operated.

CONCESSION DESCRIPTION: Currently there are four contracts to provide ATV rentals. Each contract expired April 30, 2005 and is on month-to-month status. Current rent is \$6,000 per year, or 5% of annual gross receipts, for the first \$500,000 plus 6.5% of annual gross receipts in excess of \$500,000, whichever is greater.

PARK CLASSIFICATION: State Vehicular Recreation Areas shall be established on lands where there are quality recreational opportunities for off-highway motor vehicles and in accordance with the requirements of Section 5090.35. Areas shall be developed, managed, and operated for the purpose of making the fullest public use of the outdoor recreational opportunities present. The natural and cultural elements of the environment may be managed or modified to enhance the recreational experience consistent with the requirements of Section 5090.35.

GENERAL PLAN: The 1975 General Plan for Pismo Dunes SVRA recommends concession-operated facilities for dune vehicle service, rental, and storage, and food service (page 9).

PROPOSED PROCESS: It is anticipated that the Request for Proposals will be ready for issue by April 2006. The minimum annual rental bid will be approximately \$10,000 per year or 10% of annual gross receipts, whichever is greater.

FINANCIAL IMPACT TO STATE: Past gross sales and rent paid to State based on current contract terms are as follows:

Fiscal Year	Gross Sales	Rent Paid
2004/05	\$ 3,324,033	\$ 193,757
2003/04	1,809,409	95,184
2002/03	94,644	12,874
2001/02	84,484	12,050
2000/01	136,097	19,873

RESULT OF NO ACTION BY COMMISSION: The current concessionaires may remain without an increase in rent or imposition of new contract restrictions.